

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------------|---|-----------------|
| NOTICE OF ADJUSTMENT OF RATES OF |) | CASE NO. 91-361 |
| KENTUCKY-AMERICAN WATER COMPANY |) | |

O R D E R

IT IS ORDERED that Kentucky-American Water Company ("Kentucky-American") shall file the original and 12 copies of the following information with the Commission, with a copy to all parties of record, not later than December 2, 1991. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason delay is

necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Provide capital structure at the end of each of the periods as shown in Format 1.

2. a. Provide a list of all outstanding issues of long-term debt as of the end of the latest calendar year and the end of the test period together with the related information as shown in Format 2. Provide a separate schedule for each time period. Report in Column (k) of Format 2, Schedule 2, the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 2, Schedule 2.

b. Provide an analysis of end-of-period, short-term debt and a calculation of the average and end-of-period cost rates as shown in Format 3.

3. Provide a list of all outstanding issues of preferred stock as of the end of the latest calendar year and the end of the test period as shown in Format 4. Provide a separate schedule for each time period. Report in Column (h) of Format 4, Schedule 2, the actual dollar amount of preferred stock cost accrued and/or paid during the test year. Compute the actual and annualized preferred stock cost rate and report the results in Column (h) of Format 4, Schedule 2.

4. a. List all issues of common stock in the primary market during the most recent 10-year period as shown in Format 5.

b. Provide the common stock information on a quarterly and yearly basis for the most recent 5 calendar years available, and through the latest available quarter as shown in Format 6.

c. Provide monthly market price figures for common stock for each month during the most recent 5-year period and for the months through the date the application is filed as shown in Format 7. List all stock splits by date and type.

5. Provide a computation of fixed charge coverage ratios for the 10 most recent calendar years and for the test year as shown in Format 8.

6. Provide the following:

a. A schedule of the present and proposed rates, charges, terms and conditions, and service rates and regulations which Kentucky-American seeks to change, shown in comparative form.

b. A detailed analysis of customers' bills, adjusted to actual usage and in such detail that the revenues from the present and proposed rates can be readily determined.

c. A schedule of test-year revenues for each rate schedule per book rates, present rates annualized, and proposed rates annualized.

d. A schedule setting forth the effect upon average consumer bills.

e. A statement setting forth estimates of the effect that the new rate or rates will have upon the revenues of the utility, the total amount of money resulting from the increase or decrease, and the percentage increase or decrease.

f. A schedule showing by customer class (i.e., residential, commercial, industrial, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each class. This schedule is to be accompanied by a statement which explains in detail the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective customer classes.

g. A schedule showing how the increase or decrease in (f) above was further distributed to each rate charge (i.e., customer or usage charge per 1000 gallons etc.). This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the increase or decrease.

h. A statement showing by cross-outs and italicized inserts all proposed changes in rates, charges, terms and conditions, and service rules and regulations for each rate or charge. A copy of current tariff may be used. Item 6 should be provided where not previously included in the record.

7. a. Provide monthly water sales and production for the 12 months of the test period, the 12 months preceding the test period, and the most recent period subsequent to the test period, as shown in Format 9.

b. Provide the number of customers and revenue from water sales by month for the same period as 9, as shown in Format 10.

8. Provide, in comparative form, a total company income statement, a statement of changes in financial position, and a

balance sheet for the test year and the 12-month period immediately preceding the test year.

9. Provide a trial balance as of the last day of the test year (all income statement accounts should show activity for 12 months) showing account number, account title, and amount. Provide this information on a total company and Kentucky operations basis. Show the balance in each control and all underlying subaccounts per company books.

10. Provide the balance in each current asset and each current liability account and subaccount included in Kentucky-American's chart of accounts by months for the test year. Additionally, show total current assets, total current liabilities and the net current position by months, annually, and the 13-month average for the test year. Provide a reconciliation of current assets, current liabilities, and net current position provided in response to the above with the current assets and current liabilities, as shown on the balance sheet for each month of the test year. If any amounts were allocated, provide a calculation of the factor used to allocate each amount.

11. List each common general office account (asset, reserve, and expense accounts) covering the 12 months of the test year applicable to more than one jurisdiction or utility operation. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

12. Provide the following monthly account balances and a calculation of the average (13-month) account balances for the test year for the total company and Kentucky operations:

- a. Plant in service (Account 101).
- b. Plant purchased or sold (Account 102).
- c. Property held for future use (Account 105).
- d. Construction work in progress (Account 107).
(Separate this balance into CWIP eligible for capitalized interest and other CWIP.)
- e. Completed construction not classified (Account 106).
- f. Depreciation reserve (Account 108).
- g. Plant acquisition adjustment (Account 114).
- h. Amortization of utility plant acquisition adjustment (Account 115).
- i. Materials and supplies (include all accounts and subaccounts).
- j. Balance in accounts payable applicable to each account in (i) above. (If actual is indeterminable, give reasonable estimate.)
- k. Unamortized investment credit - Pre-Revenue Act of 1971.
- l. Unamortized investment credit - Revenue Act of 1971.
- m. Accumulated deferred income taxes.
- n. Accumulated deferred income taxes, Contributions in Aid of Construction.
- o. Accumulated deferred income taxes, Customer Advances.
- p. A summary of customer deposits as shown in Format 11 to this request.
- q. Computation and development of minimum cash requirements.
- r. Balance in accounts payable applicable to amounts included in utility plant in service. (If actual is indeterminable, give reasonable estimate.)
- s. Balance in accounts payable applicable to prepayments by major category or subaccount.

- t. Balance in accounts payable applicable to amounts included in plant under construction. (If actual is indeterminable, give reasonable estimate.)
- u. Pre-Administrative Case No. 313, Contributions in Aid of Construction.
- v. Administrative Case No. 313, Contributions in Aid of Construction.
- w. Pre-Administrative Case No. 313, Customer Advances (collections and refunds).
- x. Administrative Case No. 313, Customer Advances (collections and refunds).

13. Provide the cash account balances at the beginning of the test year and at the end of each month during the test year for total company and Kentucky operations.

14. Provide the following information for each item of water property held for future use at the end of the test year:

- a. Description of property
- b. Location
- c. Date purchased
- d. Cost
- e. Estimated date to be placed in service
- f. Brief description of intended use
- g. Current status of each project

15. Provide schedules in comparative form showing by month for the test year and the year preceding the test year the total company balance in each water plant and reserve account or subaccount and each water plant and reserve account or subaccount included in Kentucky-American's chart of accounts as shown in Format 12.

16. Provide the journal entries relating to the purchase of water utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since Kentucky-American's inception. Also, a schedule showing the calculation of the acquisition adjustment at the date of purchase of each item of utility plant, the amortization period, and the unamortized balance at the end of the test year.

17. a. Provide the detailed workpapers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain in detail all components used in each calculation including the methodology employed and all assumptions applied in the derivation of each adjustment. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

b. Provide copies of available floppy disks containing LOTUS 1-2-3 spreadsheets of working papers and various adjustments that are filed in hard copy form in response to 17a.

c. Provide a directory of all Macros used in the LOTUS spreadsheets. The directory should include a brief description of each Macro and its operational directions.

18. Provide a reconciliation of Kentucky-American's test-period rate base and capital structure, explaining the reasons for any difference.

19. Provide a schedule showing a comparison of the balance in the total company and Kentucky revenue accounts for each month of the test year to the same month of the preceding year for each revenue account or subaccount included in Kentucky-American's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the accounts. See Format 12.

20. a. Provide a schedule showing a comparison of the balance in the total company and Kentucky operating expense accounts for each month of the test year to the same month of the preceding year for each account or subaccount included in Kentucky-American's chart of accounts. See Format 12.

b. Provide a schedule in comparative form showing the total company and Kentucky operating expense account balance for the test year and each of the 5 years preceding the test year for each account or subaccount included in Kentucky-American's annual report. Show the percentage of increase of each year over the prior year.

c. Provide a schedule of total company and Kentucky salaries and wages for the test year and each of the 5 calendar years preceding the test year in the format as shown in Format 13 to this request. Show for each time period the amount of overtime pay.

d. Provide a schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the 5 preceding years.

21. Provide the amount of excess deferred federal income taxes resulting from the reduction in the corporate tax rate from the current 40 percent blended rate to 34 percent, as of the end of the test year.

22. Provide the following tax data for the test year for total company and Kentucky operations. (Provide supporting documentation and/or calculations.)

a. Income taxes:

- (1) Federal operating income taxes deferred - accelerated tax depreciation.
- (2) Federal operating income taxes deferred - other (explain).
- (3) Federal income taxes - operating.
- (4) Income credits resulting from prior deferrals of federal income taxes.
- (5) Investment tax credit net.
 - (i) Investment credit realized.
 - (ii) Investment credit amortized - Pre-Revenue Act of 1971.
 - (iii) Investment credit amortized - Revenue Act of 1971.
- (6) Provide the information in 22(a)(1) through 22(a)(4) for state income taxes.
- (7) Reconciliation of book to taxable income as shown in Format 14 and a calculation of the book federal and state income tax expense for the test year using book taxable income as the starting point.
- (8) A copy of federal and state income tax returns for the taxable year ended during the test year including supporting schedules.
- (9) Schedule of franchise fees paid to cities, towns, or municipalities during the test year including the basis of these fees.

b. An analysis of Kentucky other operating taxes in the format as shown in attached Format 15.

c. Provide federal book and tax expense for the 34 percent rate; also provide any supporting documentation.

23. Provide a schedule of total company and Kentucky net income per 100,000 gallons sold per company books for the test year and the 5 calendar years preceding the test year. This data should be provided as shown in Format 16 attached.

24. Provide the comparative operating statistics as shown in Format 17 attached.

25. Provide a schedule of total company and Kentucky average water plant in service per 100,000 gallons sold by account per company books for the test year and the 5 calendar years preceding the test year. This data shall be provided as shown in Format 18 attached.

26. Provide a statement of water plant in service per company books for the test year. This data shall be presented as shown in Format 19 attached.

27. Provide the following information. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

a. A detailed analysis of all charges booked during the test period for advertising expenditures. This analysis shall include a complete breakdown of Account 913 - Advertising Expenses, as shown in Format 20 attached and further shall show any other advertising expenditures included in any other expense

accounts. The analysis shall be specific as to the purpose of the expenditure and the expected benefit to be derived.

b. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This analysis shall show a complete breakdown of this account as shown in attached Format 21 and further provide all detailed working papers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 21 attached.

c. An analysis of Account 426 - Other Income Deductions for the test period. This analysis shall show a complete breakdown of this account as shown in attached Format 22, and further provide all detailed working papers supporting this analysis. At a minimum, the workpapers shall show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 22 attached.

28. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 23, and all working papers supporting the analysis. At a minimum, the working papers shall show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the service provided.

29. Provide a detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Account 426. This analysis shall indicate the amount of the expenditure, the recipient of the contribution, and the specific account charge. If amounts are allocated, show a calculation of the factor used to allocate each amount.

30. a. Describe Kentucky-American's lobbying activities and provide a schedule showing the name of the individual, his salary, his organizations or trade associations involved in, and all company-paid or reimbursed expenses or allowances, and the account charged for all personnel for whom a principal function is that of lobbying, on the local, state, or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount.

31. Provide the following information with regard to uncollectible accounts for the test year and 5 preceding calendar years (taxable year acceptable) for total company:

- a. Reserve account balance at the beginning of the year.
- b. Charges to reserve account (accounts charged off).
- c. Credits to reserve account.
- d. Current year provision.
- e. Reserve account balance at the end of the year.
- f. Percent of provision to total revenue.

32. Provide a detailed analysis of the retained earnings account for the test period and the 12-month period immediately preceding the test period.

33. a. Provide a listing of non-utility property and property taxes and accounts where amounts are recorded.

b. Provide a schedule for all non-utility property giving a description, the date purchased, and the cost.

34. Provide Kentucky-American's rates of return as shown in Format 24 attached.

35. Provide employee data for all Kentucky-American employees as shown in Format 25 attached.

36. Provide a copy of all studies for the test year including all applicable workpapers which are the basis of common plant allocations and expenses account allocations.

37. Provide a calculation of the rate or rates used to capitalize interest during construction for the test year and the 3 preceding calendar years. Provide a narrative explanation of each component entering into the calculation of this rate.

38. Provide all information, as soon as it is known, which would have a material effect on net operating income, rate base, and cost of capital which occurred after the test year and was not incorporated in the filed testimony and exhibits.

39. Provide a detailed monthly income statement for each month after the test period including the month in which the hearing ends, as they become available.

40. List all present or proposed research efforts concerning the pricing of water and their current status.

41. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and the preceding 2 calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each executive officer, and to whom each executive officer reports. Also, for employees elected to executive officer status during the test year, provide the salaries, for the test year, for those persons whom they replaced.

42. Provide an analysis of Kentucky-American's expenses for research and development activities for the test year and the 5 preceding calendar years. For the test year include the following details:

a. Basis of fees paid to research organizations and Kentucky-American's portion of the total revenue of each organization. Where the contribution is monthly, provide the current rate and the effective date.

b. Details of the research activities conducted by each organization.

c. Details of services and other benefits provided to Kentucky-American by each organization during the test year.

d. Total expenditures of each organization during the test year including the basic nature of costs incurred by the organization.

e. Details of the expected benefits to Kentucky-American.

43. Provide the average number of customers for each customer class (i.e., residential, commercial, and industrial) for the test period and for each month of the test period.

44. Provide the names and mailing addresses of each of Kentucky-American's directors.

45. Provide all current labor contracts and the most recent contracts previously in effect.

46. Provide a schedule showing the test year and the year preceding the test year with each year shown separately the following information regarding Kentucky-American's investments in subsidiaries and joint ventures:

- a. Name of subsidiary or joint venture.
- b. Date of initial investment.
- c. Amount and type of investment made for each of the 2 years included in this report.

- d. Balance sheet and income statement for the test year and the year preceding the test year. Where only internal statements are prepared, furnish copies of these.

- e. Show on a separate schedule all dividends or income of any type received by Kentucky-American from its subsidiaries or joint ventures for each of the 2-year report periods and indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.

- f. Name of officers of each of the subsidiaries or joint ventures, officers' annual compensation, and portion of compensation charged to the subsidiary or joint venture. Also,

indicate the position each officer holds with Kentucky-American and the compensation received from Kentucky-American.

47. Provide the following data relating to affiliated or parent company(s):

a. Consolidated parent and subsidiaries balance sheet, income statement, and statement of changes in financial position for the test year and the last 2 calendar years.

b. Schedule showing balance sheet, income statement, and retained earnings adjusting entries for Kentucky subsidiary in its consolidation with the parent company and affiliated companies.

c. Schedule of company's home office and/or inter-company charges; monthly for the test year and yearly for the last 2 calendar years. State the type of goods or services provided (i.e., supplies capitalized, data service, management services, etc.). The amount by type from each billing unit and the method used in billing (i.e., direct or allocated) and basis for allocating common charges.

d. Schedule of federal income tax reductions due to filing a consolidated parent tax return for the last 2 taxable years. Show source and type of reduction, and method and basis of allocating to companies and states.

48. Provide invoices and documentation to support Kentucky-American's rate case cost to date. Include a breakdown

of Kentucky-American's estimated rate case costs as shown in Format 26.

49. Provide copies of Kentucky-American's 1971 and 1989 contracts with the American Waterworks Service Company ("Service Company").

50. For each subsidiary operating in the Southern Region, provide the following, as of the end of Kentucky-American's test period as shown in Format 27:

- a. The number of customers served.
- b. The number of employees.
- c. The level of CWIP.
- d. The level of Utility Plant In Service ("UPIS").
- e. The amount of directly billed Service Company charges.
- f. The amount of allocated Service Company charges using the 1989 Service Company contracts.
- g. The amount of allocated Service Company charges using the 1971 Service Company contracts.

51. a. Provide a detailed comparison using the 1971 and 1989 contracts, of the Service Company charges Kentucky-American expensed during the test period and the 12 months preceding the test period as shown in Format 28.

b. Provide a detailed comparison using the 1971 and 1989 contracts, of the Service Company charges Kentucky-American capitalized and/or amortized during the test period and the 12 months preceding the test period as shown in Format 28.

52. Provide a detailed analysis of the data processing charges and time that were directly billed and allocated to each subsidiary operating in the Southern Region, as of the end of Kentucky-American's test period. Include in the analysis the amount of processing charges and time attributable to customer billing services, other specified data processing services, and allocated processing charges and time.

53. Provide Kentucky-American's projected CWIP levels for the 5-year period subsequent to the test period. Provide estimated levels, the basis for each estimate, and the major projects.

54. Provide a detailed analysis of Kentucky-American's contract retention for the past 5 calendar years compared to the test period.

55. Identify all costs and benefits included in the test period from Kentucky-American's efforts to implement the recommendations of the management audit. What costs and benefits from these efforts are amounts anticipated annually over the next three years?

56. Explain in detail how the costs and benefits described in response to the previous question have been taken into consideration in the proposed revenue requirements in this case.

Done at Frankfort, Kentucky, this 15th day of November, 1991.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Comparative Capital Structures (Excluding JDIC)

For the Periods as Shown

"000 Omitted"

| Line No. | Type of Capital | <u>10th Year</u> | | <u>9th Year</u> | | <u>8th Year</u> | |
|-------------|---------------------------------|------------------|-------|-----------------|-------|-----------------|-------|
| | | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| 1. | Long Term Debt | | | | | | |
| 2. | Short Term Debt | | | | | | |
| 3. | Preferred & Preference Stock | | | | | | |
| 4. | Common Equity | | | | | | |
| 5. | Other (Itemize by type) | | | | | | |
| 6. | Total Capitalization | | | | | | |

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Comparative Capital Structures (Excluding JDIC)

For the Periods as Shown

"000 Omitted"

| <u>Line No.</u> | <u>Type of Capital</u> | <u>7th Year</u> | | <u>6th Year</u> | | <u>5th Year</u> | |
|---------------------|---------------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | | <u>Amount</u> | <u>Ratio</u> | <u>Amount</u> | <u>Ratio</u> | <u>Amount</u> | <u>Ratio</u> |
| 1. | Long Term Debt | | | | | | |
| 2. | Short Term Debt | | | | | | |
| 3. | Preferred & Preference Stock | | | | | | |
| 4. | Common Equity | | | | | | |
| 5. | Other (Itemize by type) | | | | | | |
| 6. | Total Capitalization | | | | | | |

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Comparative Capital Structures (Excluding JDIC)

For the Periods as Shown

"000 Omitted"

| Line No. | Type of Capital | <u>4th Year</u> | | <u>3rd Year</u> | | <u>2nd Year</u> | |
|-------------|---------------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | | <u>Amount</u> | <u>Ratio</u> | <u>Amount</u> | <u>Ratio</u> | <u>Amount</u> | <u>Ratio</u> |
| 1. | Long Term Debt | | | | | | |
| 2. | Short Term Debt | | | | | | |
| 3. | Preferred & Preference Stock | | | | | | |
| 4. | Common Equity | | | | | | |
| 5. | Other (Itemize by type) | | | | | | |
| 6. | Total Capitalization | | | | | | |

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Comparative Capital Structures (Excluding JDIC)

For the Periods as Shown

"000 Omitted"

| Line No. | Type of Capital | <u>1st Year</u> | | <u>Test Year</u> | | <u>Average Test Year</u> | |
|-------------|---------------------------------|-----------------|--------------|------------------|--------------|------------------------------|--------------|
| | | <u>Amount</u> | <u>Ratio</u> | <u>Amount</u> | <u>Ratio</u> | <u>Amount</u> | <u>Ratio</u> |
| 1. | Long Term Debt | | | | | | |
| 2. | Short Term Debt | | | | | | |
| 3. | Preferred & Preference Stock | | | | | | |
| 4. | Common Equity | | | | | | |
| 5. | Other (Itemize by type) | | | | | | |
| 6. | Total Capitalization | | | | | | |

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

| <u>Line No.</u> | <u>Type of Capital</u> | <u>Latest Available Quarter</u> | |
|---------------------|---------------------------------|---------------------------------|--------------|
| | | <u>Amount</u> | <u>Ratio</u> |
| 1. | Long Term Debt | | |
| 2. | Short Term Debt | | |
| 3. | Preferred & Preference Stock | | |
| 4. | Common Equity | | |
| 5. | Other (Itemize by Type) | | |
| 6. | Total Capitalization | | |

Instructions:

1. Provide a calculation of the average test year data as shown in Format 1, Schedule 2.
2. If the applicant is a member of an affiliated group, the above data is to be provided for the parent company and the system consolidated.

KENTUCKY-AMERICAN WATER COMPANY

Format 1
Schedule 2

Case No. 91-361

Calculation of Average Test Period Capital Structure
12 Months Ended _____

"000 Omitted"

| <u>Line No.</u> | <u>Item</u> (a) | <u>Total Capital</u> (b) | <u>Long-Term Debt</u> (c) | <u>Short-Term Debt</u> (d) | <u>Preferred Stock</u> (e) | <u>Common Stock</u> (f) | <u>Retained Earnings</u> (g) | <u>Total Common Equity</u> (h) |
|---------------------|-------------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|-------------------------------------|---|
| 1. | Balance beginning of test year | | | | | | | |
| 2. | 1st Month | | | | | | | |
| 3. | 2nd Month | | | | | | | |
| 4. | 3th Month | | | | | | | |
| 5. | 4th Month | | | | | | | |
| 6. | 5th Month | | | | | | | |
| 7. | 6th Month | | | | | | | |
| 8. | 7th Month | | | | | | | |
| 9. | 8th Month | | | | | | | |
| 10. | 9th Month | | | | | | | |
| 11. | 10th Month | | | | | | | |
| 12. | 11th Month | | | | | | | |
| 13. | 12th Month | | | | | | | |
| 14. | Total (L1 through L13) | | | | | | | |
| 15. | Average balance (L14 - 13) | | | | | | | |
| 16. | Average capitalization ratios | | | | | | | |
| 17. | End-of-period capitalization ratios | | | | | | | |

Instructions:

1. If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded.
2. Include premium on class of stock.

KENTUCKY-AMERICAN WATER COMPANY

Format 2
Schedule 1

Case No. 91-361

Schedule of Outstanding Long-Term Debt
For the Calendar Year Ended December 31, _____

| Line No. | Type of Debt Issue (a) | Date of Issue (b) | Date of Maturity (c) | Amount Outstanding (d) | Coupon Interest Rate ¹ (e) | Cost Rate At Issue ² (f) | Cost Rate to Maturity ³ (g) | Bond Rating At Time of Issue ⁴ (h) | Type of Obligation (i) | Annualized Cost Col.(d)xCol.(g) (j) |
|-------------|------------------------------|----------------------------|-------------------------------|------------------------------|--|--|---|--|---------------------------------|--|
|-------------|------------------------------|----------------------------|-------------------------------|------------------------------|--|--|---|--|---------------------------------|--|

Total Long-Term Debt and
Annualized Cost

Annualized Cost Rate [Total
Col. (j) - Total Col.(d)]

- 1 Nominal Rate
- 2 Nominal Rate Plus Discount or Premium Amortization
- 3 Nominal Rate Plus Discount or Premium Amortization and Issuance Cost
- 4 Standard and Poor's, Moody, etc.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Schedule of Outstanding Long-Term Debt
For the Test Year Ended _____

| Line No. | Type of Debt Issue | Date of Issue | Date of Maturity | Amount Outstanding | Coupon Interest Rate ¹ | Cost Rate At Issue ² | Cost Rate to Maturity ³ | Bond Rating At Time of Issue ⁴ | Type of Obligation | Annualized Cost Col.(d)xCol.(g) | Actual Test Year Interest Cost ⁵ |
|-------------|-----------------------|---------------------|------------------------|-----------------------|---|---------------------------------------|--|---|--------------------------|---------------------------------------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) |

Total Long-Term Debt and
Annualized Cost

Annualized Cost Rate [Total
Col. (j) - Total Col.(d)]

Actual Long-Term Debt Cost
Rate [Total Col. k - Total
Reported in Col. (c) Line 15
of Format 1, Schedule 2]

- 1 Nominal Rate
- 2 Nominal Rate Plus Discount or Premium Amortization
- 3 Nominal Rate Plus Discount or Premium Amortization and Issuance Cost
- 4 Standard and Poor's, Moody, etc.
- 5 Sum of Accrued Interest Amortization of Discount or Premium and Issuance Cost

Format 2
Schedule 3

KENTUCKY-AMERICAN WATER COMPANY

CASE NO. 91-361

Long-Term Debt and Preferred Stock Cost Rates

| <u>Annualized Cost Rate</u> | |
|-----------------------------|------------------------|
| <u>Long-Term Debt</u> | <u>Preferred Stock</u> |

Parent Company:

Test Year

Latest Calendar year

System Consolidated:

Test Year

Latest Calendar year

Instruction:

1. This schedule is to be completed only by applicants that are members of an affiliated group.
2. Detailed workpapers showing calculation of the above cost rates are to be available on request.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Schedule of Short-Term Debt
For the Test Year Ended _____

| <u>Line</u> <u>No.</u> | <u>Type of Debt</u> <u>Instrument</u> (a) | <u>Date</u> <u>of</u> <u>Issue</u> (b) | <u>Date</u> <u>of</u> <u>Maturity</u> (c) | <u>Amount</u> <u>Outstanding</u> (d) | <u>Nominal</u> <u>Interest</u> <u>Rate</u> (e) | <u>Effective</u> <u>Interest</u> <u>Cost Rate</u> (f) | <u>Annualized</u> <u>Interest Cost</u> <u>Col.(d)xCol.(f)</u> (g) |
|---------------------------|---|---|--|--|---|--|--|
|---------------------------|---|---|--|--|---|--|--|

Total Short-Term Debt

Annualized Cost Rate [Total Col. (g) - Total Col.(d)]

Actual Interest Paid or Accrued on Short Term
Debt during the Test Year [Report in Col. (g) of this schedule]Average Short-Term Debt - Format 1, Schedule 2
Line 15 Col. (d) [Report in Col. (g) of this schedule]Test Year Interest Cost Rate [Actual Interest -
Average Short-Term Debt] [Report in Col. (f) of this schedule]

Instructions:

1. In all instances where the Effective Interest Cost Rate is different from the Nominal Interest Rate provide a calculation of the effective Interest Cost Rate in sufficient detail to show the items of costs that cause the difference.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Schedule of Outstanding Shares of Preferred Stock
For the Calendar Year Ended _____

| <u>Line</u> <u>No.</u> | <u>Description of Issue</u> (a) | <u>Date</u> <u>of</u> <u>Issue</u> | <u>Amount</u> <u>Sold</u> | <u>Amount</u> <u>Outstanding</u> | <u>Dividend</u> <u>Rate</u> | <u>Cost Rate</u> <u>at Issue</u> | <u>Annualized</u> <u>Cost</u> <u>Col.(f) x Col.(d)</u> | <u>Convertibility</u> <u>Features</u> |
|---------------------------|------------------------------------|--|------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--|--|
| | | (b) | (c) | (d) | (e) | (f) | (g) | (h) |

Total

Annualized Cost Rate [Total
Col.(g) - Total Col.(d)]

Instruction:

1. If the applicant has issued no preferred stock, this schedule may be omitted.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Schedule of Outstanding Shares of Preferred Stock
For the Test Year Ended _____

| Line No. | Description of Issue (a) | Date of Issue (b) | Amount Sold (c) | Amount Outstanding (d) | Dividend Rate (e) | Cost Rate at Issue (f) | Annualized Cost Col.(f) x Col.(d) (g) | Actual Test Year Cost (h) | Convertibility Features (i) |
|-------------|-----------------------------|----------------------------|-----------------------|------------------------------|-------------------------|------------------------------|--|------------------------------------|-----------------------------------|
| | | | | | | | | | |

Total

Annualized Cost Rate [Total
Col.(g) - Total Col.(d)]

Actual Test Year Cost Rate [Total
Col.(h) : Total Reported in
Col.(e), Line 15 of Format 1,
Schedule 2]

Instruction:

1. If the applicant has issued no preferred stock, this schedule may be omitted.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Schedule of Common Stock Issue

For the 10 Year Period Ended_____

| <u>DATE OF</u> | | | <u>Number</u> | <u>Price Per</u> | <u>Price Per</u> | <u>Book Value</u> | <u>Selling Exps.</u> | <u>Net</u> |
|----------------|---------------------|---------------------|------------------|------------------|--------------------|----------------------|----------------------|-------------------|
| <u>Issue</u> | <u>Announcement</u> | <u>Registration</u> | <u>of Shares</u> | <u>Share to</u> | <u>Share (Net</u> | <u>Per Share At</u> | <u>As % of Gross</u> | <u>Proceeds</u> |
| | | | <u>Issued</u> | <u>Public</u> | <u>to Company)</u> | <u>Date of Issue</u> | <u>Issue Amount</u> | <u>to Company</u> |

Instructions:

1. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Quarterly and Annual Common Stock Information
For the Periods as Shown

| <u>Period</u> | <u>Average No. of Shares Outstanding</u> (000) | <u>Book Value</u> (\$) | <u>Earnings per Share</u> (\$) | <u>Dividend Rate Per Share</u> (\$) | <u>Return on Average Common Equity</u> (%) |
|--------------------|---|-------------------------------|---|--|---|
| 5th Calendar Year: | | | | | |
| 1st Quarter | | | | | |
| 2nd Quarter | | | | | |
| 3rd Quarter | | | | | |
| 4th Quarter | | | | | |
| Annual | | | | | |
| 4th Calendar Year: | | | | | |
| 1st Quarter | | | | | |
| 2nd Quarter | | | | | |
| 3rd Quarter | | | | | |
| 4th Quarter | | | | | |
| Annual | | | | | |
| 3rd Calendar Year: | | | | | |
| 1st Quarter | | | | | |
| 2nd Quarter | | | | | |
| 3rd Quarter | | | | | |
| 4th Quarter | | | | | |
| Annual | | | | | |
| 2nd Calendar Year: | | | | | |
| 1st Quarter | | | | | |
| 2nd Quarter | | | | | |
| 3rd Quarter | | | | | |
| 4th Quarter | | | | | |
| Annual | | | | | |
| 1st Calendar Year: | | | | | |
| 1st Quarter | | | | | |
| 2nd Quarter | | | | | |
| 3rd Quarter | | | | | |
| 4th Quarter | | | | | |
| Annual | | | | | |

Latest Available Quarter

Instructions:

1. Report annual returns only.
2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Common Stock - Market Price Information

Month

| <u>ITEM</u> | <u>January</u> | <u>February</u> | <u>March</u> | <u>April</u> | <u>May</u> | <u>June</u> |
|-------------|----------------|-----------------|--------------|--------------|------------|-------------|
|-------------|----------------|-----------------|--------------|--------------|------------|-------------|

5th Year:

Monthly High
Monthly Low
Monthly Closing Price

4th Year:

Monthly High
Monthly Low
Monthly Closing Price

3rd Year:

Monthly High
Monthly Low
Monthly Closing Price

2nd Year:

Monthly High
Monthly Low
Monthly Closing Price

Months to Date of Filings:

Monthly High
Monthly Low
Monthly Closing Price

Instructions:

1. Indicate all stock splits by date and type.
2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Common Stock - Market Price Information

Month

| <u>Item</u> | <u>July</u> | <u>August</u> | <u>September</u> | <u>October</u> | <u>November</u> | <u>December</u> |
|----------------------------|-------------|---------------|------------------|----------------|-----------------|-----------------|
| 5th Year: | | | | | | |
| Monthly High | | | | | | |
| Monthly Low | | | | | | |
| Monthly Closing Price | | | | | | |
| 4th Year: | | | | | | |
| Monthly High | | | | | | |
| Monthly Low | | | | | | |
| Monthly Closing Price | | | | | | |
| 3rd Year: | | | | | | |
| Monthly High | | | | | | |
| Monthly Low | | | | | | |
| Monthly Closing Price | | | | | | |
| 2nd Year: | | | | | | |
| Monthly High | | | | | | |
| Monthly Low | | | | | | |
| Monthly Closing Price | | | | | | |
| Months to Date of Filings: | | | | | | |
| Monthly High | | | | | | |
| Monthly Low | | | | | | |
| Monthly Closing Price | | | | | | |

Instructions:

1. Indicate all stock splits by date and type.
2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Computation of Fixed Charge Coverage Ratios
For the Periods as Shown

| <u>10th Calendar Year</u> | | <u>9th Calendar Year</u> | | <u>8th Calendar Year</u> | |
|-----------------------------|--|-----------------------------|--|-----------------------------|--|
| | Bond or Mortg. Indenture Require- ment | | Bond or Mortg. Indenture Require- ment | | Bond or Mortg. Indenture Require- ment |
| <u>SEC</u> <u>Method</u> | | <u>SEC</u> <u>Method</u> | | <u>SEC</u> <u>Method</u> | |

No. Item

Net Income
Additions
Itemize

Total Additions
Deductions:
Itemize

Total Deductions

Income Available for
Fixed Charge Coverage

Fixed Charges

Fixed Charge Coverage
Ratio

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Computation of Fixed Charge Coverage Ratios
For the Periods as Shown

| <u>7th Calendar Year</u> | | <u>6th Calendar Year</u> | | <u>5th Calendar Year</u> | |
|-----------------------------|---|-----------------------------|---|-----------------------------|---|
| <u>SEC</u> <u>Method</u> | <u>Bond or</u> <u>Mortg.</u> <u>Indenture</u> <u>Require-</u> <u>ment</u> | <u>SEC</u> <u>Method</u> | <u>Bond or</u> <u>Mortg.</u> <u>Indenture</u> <u>Require-</u> <u>ment</u> | <u>SEC</u> <u>Method</u> | <u>Bond or</u> <u>Mortg.</u> <u>Indenture</u> <u>Require-</u> <u>ment</u> |
| | | | | | |

No. Item

Net Income
Additions
Itemize

Total Additions
Deductions:
Itemize

Total Deductions

Income Available for
Fixed Charge Coverage

Fixed Charges

Fixed Charge Coverage
Ratio

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Computation of Fixed Charge Coverage Ratios
For the Periods as Shown

| <u>4th Calendar Year</u> | | <u>3rd Calendar Year</u> | | <u>2nd Calendar Year</u> | |
|-----------------------------|---|-----------------------------|---|-----------------------------|---|
| <u>SEC</u> <u>Method</u> | <u>Bond or</u> <u>Mortg.</u> <u>Indenture</u> <u>Require-</u> <u>ment</u> | <u>SEC</u> <u>Method</u> | <u>Bond or</u> <u>Mortg.</u> <u>Indenture</u> <u>Require-</u> <u>ment</u> | <u>SEC</u> <u>Method</u> | <u>Bond or</u> <u>Mortg.</u> <u>Indenture</u> <u>Require-</u> <u>ment</u> |
| | | | | | |

No. Item

Net Income
Additions
Itemize

Total Additions
Deductions:
Itemize

Total Deductions

Income Available for
Fixed Charge Coverage

Fixed Charges

Fixed Charge Coverage
Ratio

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Computation of Fixed Charge Coverage Ratios
For the Periods as Shown

| <u>1st Calendar Year</u> | | <u>Test Year</u> | |
|--------------------------|-------------|------------------|-------------|
| | Bond or | | Bond or |
| | Mortg. | | Mortg. |
| | Indenture | | Indenture |
| SEC | Require- | SEC | Require- |
| <u>Method</u> | <u>ment</u> | <u>Method</u> | <u>ment</u> |

No. Item

Net Income
Additions
Itemize

Total Additions
Deductions:
Itemize

Total Deductions

Income Available for
Fixed Charge Coverage

Fixed Charges

Fixed Charge Coverage
Ratio

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Analysis of Water Sales and Production

[illegible]

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

SUMMARY OF CUSTOMER DEPOSITS

Test Year

| <u>Line</u> <u>No.</u> | <u>Month</u> <u>(a)</u> | <u>Receipts</u> <u>(b)</u> | <u>Refunds</u> <u>(c)</u> | <u>Balance</u> <u>(d)</u> |
|---------------------------|---|-------------------------------|------------------------------|------------------------------|
| 1. | Balance beginning of test year | | | |
| 2. | 1st Month | | | |
| 3. | 2nd Month | | | |
| 4. | 3rd Month | | | |
| 5. | 4th Month | | | |
| 6. | 5th Month | | | |
| 7. | 6th Month | | | |
| 8. | 7th Month | | | |
| 9. | 8th Month | | | |
| 10. | 9th Month | | | |
| 11. | 10th Month | | | |
| 12. | 11th Month | | | |
| 13. | 12th Month | | | |
| 14. | Total (L1 through L13) | | | |
| 15. | Average Balance (L14 - 13) | | | |
| 16. | Amount of deposits received during test period | | | |
| 17. | Amount of deposits refunded during test period | | | |
| 18. | Number of deposits on hand end of test year | | | |
| 19. | Average amount of deposit (L15, Column (d) - L18) | | | |
| 20. | Interest paid during test period | | | |

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

COMPARISON OF TEST YEAR ACCOUNT BALANCES WITH THOSE OF THE
PRECEDING YEAR

| Account Title and Account Number | 1st Month | 2nd Month | 3rd Month | 4th Month | 5th Month | 6th Month | 7th Month | 8th Month | 9th Month | 10th Month | 11th Month | 12th Month | Total |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|-------|
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|-------|

Test Year
Prior Year
Increase
(Decrease)

(f) Injuries and damages

| Line No. | Item (a) | 12 Months Ended | | | | | | | | | | Test | |
|-------------|---|-----------------------------------|-----|--------|-----|--------|-----|--------|-----|--------|-----|--------|-----|
| | | Calendar years Prior to Test Year | | | | | | | | | | Year | |
| | | 5th | | 4th | | 3rd | | 2nd | | 1st | | | |
| | | Amount | \$ | Amount | \$ | Amount | \$ | Amount | \$ | Amount | \$ | Amount | \$ |
| | | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) |
| 7. | Administrative and general expenses (continued): | | | | | | | | | | | | |
| | (g) Employees pensions and benefits | | | | | | | | | | | | |
| | (h) Franchise requirements | | | | | | | | | | | | |
| | (i) Regulatory commission expenses | | | | | | | | | | | | |
| | (j) Duplicate charges-cr. | | | | | | | | | | | | |
| | (k) Miscellaneous general expense | | | | | | | | | | | | |
| | (l) Rents | | | | | | | | | | | | |
| | (m) Maintenance of general plant | | | | | | | | | | | | |
| 8. | Total administrative and general expenses L7(a) through L7(m) | | | | | | | | | | | | |
| 9. | Total salaries and wages charged expense (L2 through L6 + L8) | | | | | | | | | | | | |
| 10. | Wages capitalized | | | | | | | | | | | | |
| 11. | Total Salaries and wages | | | | | | | | | | | | |
| 12. | Ratio of salaries and wages charged expense to total wages (L9 : L11) | | | | | | | | | | | | |
| 13. | Ratio of salaries and wages capitalized to total wages (L12 - L13) | | | | | | | | | | | | |

Note: Show percentage increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

KENTUCKY-AMERICAN WATER COMPANY
Commonwealth of Kentucky
Case No. 91-361
RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME
12 Months Ended

| <u>Line</u> <u>No.</u> | <u>Item</u> |
|---------------------------|---|
| 1. | Net income per books |
| 2. | Add income taxes: |
| 3. | A. Federal income tax-Current |
| 4. | B. Federal income tax deferred- Depreciation |
| 5. | C. Federal income tax deferred- Other |
| 6. | D. Investment tax credit adjustment |
| 7. | E. Federal income taxes charged to other income and deductions |
| 8. | F. State income taxes |
| 9. | G. State income taxes charged to other income and deductions |
| 10. | Total |
| 11. | Flow through items: |
| 12. | Add (itemize) |
| 13. | Deduct (itemize) |
| 14. | Book taxable income |
| 15. | Differences between book taxable income and taxable income per tax return: |
| 16. | Add (itemize) |
| 17. | Deduct (itemize) |
| 18. | Taxable income per return |

NOTE: (1) Provide a calculation of the amount shown on Lines 3 through 7 above.
(2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.
(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

KENTUCKY-AMERICAN WATER COMPANY
Commonwealth of Kentucky
Case No. 91-361
RECONCILIATION OF BOOK NET INCOME AND STATE TAXABLE INCOME
12 Months Ended

| Line No. | Item |
|-------------|---|
| 1. | Net income per books |
| 2. | Add income taxes: |
| 3. | A. Federal income tax-Current |
| 4. | B. Federal income tax deferred- Depreciation |
| 5. | C. Federal income tax deferred- Other |
| 6. | D. Investment tax credit adjustment |
| 7. | E. Federal income taxes charged to other income and deductions |
| 8. | F. State income taxes |
| 9. | G. State income taxes charged to other income and deductions |
| 10. | Total |
| 11. | Flow through items: |
| 12. | Add (itemize) |
| 13. | Deduct (itemize) |
| 14. | Book taxable income |
| 15. | Differences between book taxable income and taxable income per tax return: |
| 16. | Add (itemize) |
| 17. | Deduct (itemize) |
| 18. | Taxable income per return |

NOTE: (1) Provide a calculation of the amount shown on Lines 8 through 9 above.
(2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.
(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Analysis of Other Operating Taxes
12 Months Ended

"000 Omitted"

| <u>Line No.</u> | <u>Item</u> | <u>Charged Expense</u> (a) | <u>Charged to Construction</u> (b) | <u>Charged to Other Accounts</u> (c) | <u>Amount Accrued</u> (d) | <u>Amount Paid</u> (e) |
|---------------------|--|-------------------------------|---|---|------------------------------|-------------------------------|
| 1. | Kentucky Retail: | | | | | |
| | (a) State Income | | | | | |
| | (b) Gross Receipts* | | | | | |
| | (c) Ad Valorem (Property) | | | | | |
| | (d) Payroll (Employer's Portion) | | | | | |
| | (e) Other Taxes | | | | | |
| 2. | Total Kentucky Retail [L1(a) through L1(d)] | | | | | |
| 3. | Other Jurisdictions | | | | | |
| | Total Per Books (L2 + L3) | | | | | |

Instructions:

*Actual payments for test year should be shown under the amount paid column.

1. Explain items in column (c).

KENTUCKY-AMERICAN WATER COMPANY

Commonwealth of Kentucky

Case No. 91-361

NET INCOME PER 100,000 CUBIC FEET OF WATER
(TOTAL COMPANY)

| Account No. | Item (a) | Calendar Years | | | | | Test |
|----------------|--|--------------------|-----|-----|-----|-----|------|
| | | Prior to Test Year | | | | | Year |
| | | 5th | 4th | 3rd | 2nd | 1st | (g) |
| | | (b) | (c) | (d) | (e) | (f) | |
| 400 | Operating Revenue | | | | | | |
| | Operating Expenses | | | | | | |
| 401 | Operating Expense | | | | | | |
| 402 | Maintenance Expense | | | | | | |
| 403 | Depreciation Expense | | | | | | |
| 404 | Amortization of Limited-Term Utility Plant | | | | | | |
| 405 | Amortization of Other Utility Plant | | | | | | |
| 406 | Amortization of Utility Plant Acquisition Adjustments | | | | | | |
| 407 | Amortization of Property Losses | | | | | | |
| 408.1 | Taxes Other Than Income Taxes Utility Operating Income | | | | | | |
| 409.9 | Income Taxes Utility Operating Income | | | | | | |
| 410.1 | Provision for Deferred Income Taxes Utility Operating Income | | | | | | |
| 411.1 | Income Taxes Deferred In Prior Years -- Credit Utility Operating Income | | | | | | |
| 412.1 | Investment Tax Credits Utility Operations Deferred to Future Periods | | | | | | |
| 412.2 | Investment Tax Credits Utility Operations Restored to Operating Income | | | | | | |
| | Total Operating Expenses | | | | | | |
| | Operating Income | | | | | | |
| 413 | Income from Utility Plant Leased to Others | | | | | | |
| 414 | Gains (Losses) from Disposition of Utility Property | | | | | | |
| | Total Utility Operating Income | | | | | | |
| | Other Income | | | | | | |
| | Other Income Deductions | | | | | | |
| | Taxes Applicable to Other Income and Deductions | | | | | | |
| | Interest Charges | | | | | | |
| | Extraordinary Items | | | | | | |

[illegible]

20. Depreciation Expenses:
21. Per \$100 of average gross plant in service

22. Property Taxes:
23. Per \$100 of average gross plant in service

24. Interest Expenses:
25. Per \$100 of average debt outstanding
26. Per \$100 of average plant investment

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

Average Water Plant Service by Account Per 100,000 Cu. Feet Sold

For the Calendar Year 19 Through 19 and the Test Year Ended

| | | 12 Month Ended | | | | | |
|-------------------|-------------------|-----------------------------------|-----|-----|-----|-----|--------------|
| | | Calendar Years Prior to Test Year | | | | | |
| Account Number | Title of Accounts | 5th | 4th | 3rd | 2nd | 1st | Test Year |
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |

Intangible Plant

- 301. Organization
- 302. Franchises and Consents
- 303. Miscellaneous Intangible Plant

Sources of Supply Plant

- 310. Land and Land Rights
- 311. Structures and Improvements
- 312. Collecting and Impounding Reservoirs
- 313. Lake, River and Other Intakes
- 314. Wells and Springs
- 315. Infiltration Galleries and Tunnels
- 316. Supply Mains
- 317. Other Water Source Plant

Pumping Plant

- 320. Land and Land Rights
- 321. Structures and Improvements
- 322. Boiler Plant Equipment
- 323. Other Power Production Equipment

| | | 12 Month Ended | | | | | |
|-------------------|--|-----------------------------------|------------|------------|------------|------------|---------------------|
| | | Calendar Years Prior to Test Year | | | | | |
| Account Number | Title of Accounts (a) | 5th (b) | 4th (c) | 3rd (d) | 2nd (e) | 1st (f) | Test Year (g) |
| 324. | Steam Pumping Equipment | | | | | | |
| 325. | Electric Pumping Equipment | | | | | | |
| 326. | Diesel Pumping Equipment | | | | | | |
| 327. | Hydraulic Pumping | | | | | | |
| 328. | Other Pumping Equipment | | | | | | |
| | <u>Water Treatment Plant</u> | | | | | | |
| 330. | Land and Land Rights | | | | | | |
| 331. | Structures and Improvements | | | | | | |
| 332. | Water Treatment Equipment | | | | | | |
| | <u>Transmission and Distribution Plant</u> | | | | | | |
| 340. | Land and Land Rights | | | | | | |
| 341. | Structures and Improvements | | | | | | |
| 342. | Distribution Reservoirs and Standpipes | | | | | | |
| 343. | Transmission and Distribution Mains | | | | | | |
| 344. | Fire Mains | | | | | | |
| 345. | Services | | | | | | |
| 346. | Meters | | | | | | |
| 347. | Meter Installations | | | | | | |
| 348. | Hydrants | | | | | | |
| 349. | Other Transmission and Distribution Plant | | | | | | |
| | <u>General Plant</u> | | | | | | |
| 389. | Land and Land Rights | | | | | | |
| 390. | Structures and Improvements | | | | | | |
| 391. | Office Furniture and Equipment | | | | | | |
| 392. | Transportation Equipment | | | | | | |
| 393. | Stores Equipment | | | | | | |
| 394. | Tools, Shop and Garage Equipment | | | | | | |
| 395. | Laboratory Equipment | | | | | | |
| 396. | Power Operated Equipment | | | | | | |
| 397. | Communication Equipment | | | | | | |
| 398. | Miscellaneous Equipment | | | | | | |
| 399. | Other Tangible Property | | | | | | |

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

STATEMENT OF WATER PLANT IN SERVICE

12 Months Ended

| <u>Account Number</u> | <u>Title of Account</u> (a) <u>Intangible Plant</u> | <u>Beginning Balance</u> (b) | <u>Additions</u> (c) | <u>Retirements</u> (d) | <u>Transfers</u> (e) | <u>Ending Balance</u> (f) |
|---------------------------|---|-------------------------------------|-------------------------|---------------------------|-------------------------|----------------------------------|
| 301. | Organization | | | | | |
| 302. | Franchises and Consents | | | | | |
| 303. | Miscellaneous Intangible Plant | | | | | |
| | <u>Sources of Supply Plant</u> | | | | | |
| 310. | Land and Land Rights | | | | | |
| 311. | Structures and Improvements | | | | | |
| 312. | Collecting and Impounding Reservoirs | | | | | |
| 313. | Lake, River and Other Intakes | | | | | |
| 314. | Wells and Springs | | | | | |
| 315. | Infiltration Galleries and Tunnels | | | | | |
| 316. | Supply Mains | | | | | |
| 317. | Other Water Source Plant | | | | | |
| | <u>Pumping Plant</u> | | | | | |
| 320. | Land and Land Rights | | | | | |
| 321. | Structures and Improvements | | | | | |
| 322. | Boiler Plant Equipment | | | | | |
| 323. | Other Power Production Equipment | | | | | |

| Account Number | Title of Account (a) | Beginning Balance (b) | Additions (c) | Retirements (d) | Transfers (e) | Ending Balance (f) |
|-------------------|--|-----------------------------|------------------|--------------------|------------------|--------------------------|
| 324. | Steam Pumping Equipment | | | | | |
| 325. | Electric Pumping Equipment | | | | | |
| 326. | Diesel Pumping Equipment | | | | | |
| 327. | Hydraulic Pumping | | | | | |
| 328. | Other Pumping Equipment | | | | | |
| | <u>Water Treatment Plant</u> | | | | | |
| 330. | Land and Land Rights | | | | | |
| 331. | Structures and Improvements | | | | | |
| 332. | Water Treatment Equipment | | | | | |
| | <u>Transmission and Distribution Plant</u> | | | | | |
| 340. | Land and Land Rights | | | | | |
| 341. | Structures and Improvements | | | | | |
| 342. | Distribution Reservoirs and Standpipes | | | | | |
| 343. | Transmission and Distribution Mains | | | | | |
| 344. | Fire Mains | | | | | |
| 345. | Services | | | | | |
| 346. | Meters | | | | | |
| 347. | Meter Installations | | | | | |
| 348. | Hydrants | | | | | |
| 349. | Other Transmission and Distribution Plant | | | | | |
| | <u>General Plant</u> | | | | | |
| 389. | Land and Land Rights | | | | | |
| 390. | Structures and Improvements | | | | | |
| 391. | Office Furniture and Equipment | | | | | |
| 392. | Transportation Equipment | | | | | |
| 393. | Stores Equipment | | | | | |
| 394. | Tools, Shop and Garage Equipment | | | | | |
| 395. | Laboratory Equipment | | | | | |
| 396. | Power Operated Equipment | | | | | |
| 397. | Communication Equipment | | | | | |
| 398. | Miscellaneous Equipment | | | | | |
| 399. | Other Tangible Property | | | | | |

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended

| <u>Line No</u> | <u>Item</u> | <u>Sales or Promotional Advertising</u> | <u>Institutional Advertising</u> | <u>Conservation Advertising</u> | <u>Rate Case</u> | <u>Other</u> | <u>Total</u> |
|--------------------|----------------------------------|---|--------------------------------------|-------------------------------------|----------------------|--------------|--------------|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1. | Newspaper | | | | | | |
| 2. | Magazines and Other | | | | | | |
| 3. | Television | | | | | | |
| 4. | Radio | | | | | | |
| 5. | Direct Mail | | | | | | |
| 6. | Sales Aids | | | | | | |
| 7. | Total | | | | | | |
| 8. | Amount Assigned to Ky. Retail | | | | | | |

KENTUCKY-AMERICAN WATER COMPANY

CASE NO. 91-361

ACCOUNT 930 - MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended

(000's)

| <u>Line No.</u> | <u>Item (a)</u> | <u>Amount (b)</u> |
|---------------------|---|-----------------------|
| 1. | Industry Association Dues | |
| 2. | Stockholder and Debt Servicing Expenses | |
| 3. | Institutional Advertising | |
| 4. | Conservation Advertising | |
| 5. | Rate Department Load Studies | |
| 6. | Water, and Other Testing and Research | |
| 7. | Directors' Fees and Expenses | |
| 8. | Dues and Subscriptions | |
| 9. | Miscellaneous | |
| 10. | Total | |
| 11. | Amount Assigned to Ky. Retail | |

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

ACCOUNT 426 - MISCELLANEOUS INCOME DEDUCTIONS

For the 12 Months Ended

(000's)

| <u>Line No.</u> | <u>Item (a)</u> | <u>Amount (b)</u> |
|---------------------|-------------------------------|-----------------------|
| 1. | Donations | |
| 2. | Civic Activities | |
| 3. | Political Activities | |
| 4. | Other | |
| 5. | Total | |
| 6. | Amount Assigned to Ky. Retail | |

KENTUCKY-AMERICAN WATER COMPANY

CASE NO. 91-361

Professional Service Expenses

For the Twelve Months Ended

| <u>Line</u> <u>No.</u> | <u>Item</u> | <u>Rate Case</u> | <u>Annual Audit</u> | <u>Other</u> | <u>Total</u> |
|---------------------------|-------------|------------------|---------------------|--------------|--------------|
| 1. | Legal | | | | |
| 2. | Engineering | | | | |
| 3. | Accounting | | | | |
| 4. | Other | | | | |
| 5. | Total | | | | |

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

AVERAGE RATES OF RETURN

For the Calendar Years Through and the 12 Months Ended

| <u>Line No.</u> | <u>Calendar Years Prior to Test Year</u> |
|---------------------|--|
| 1. | Original Cost Net Investment: |
| 2. | 5th Year |
| 3. | 4th Year |
| 4. | 3rd Year |
| 5. | 2nd Year |
| 6. | 1st Year |
| 7. | Test Year |
| 8. | Original Cost Common Equity: |
| 9. | 5th Year |
| 10. | 4th Year |
| 11. | 3rd Year |
| 12. | 2nd Year |
| 13. | 1st Year |
| 14. | Test Year |

NOTE: Provide work papers in support of the above calculations.

KENTUCKY-AMERICAN WATER COMPANY

Case No. 91-361

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE

[illegible]

| Calendar Years Prior to Test Year (A) | Administrative and General | | | Construction | | | Total | | |
|--|-------------------------------|------|-------|--------------|------|-------|-------|------|-------|
| | No. | Hrs. | Wages | No. | Hrs. | Wages | No. | Hrs. | Wages |
| | (N) | (O) | (P) | (Q) | (R) | (S) | (T) | (U) | (V) |
| 5th Year | | | | | | | | | |
| % Change | | | | | | | | | |
| 4th Year | | | | | | | | | |
| % Change | | | | | | | | | |
| 3rd Year | | | | | | | | | |
| % Change | | | | | | | | | |
| 2nd Year | | | | | | | | | |
| % Change | | | | | | | | | |
| 1st Year | | | | | | | | | |
| % change | | | | | | | | | |
| Test Year | | | | | | | | | |
| % Change | | | | | | | | | |

- NOTE: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
- (2) Show percent increase (decrease) of each year over the prior year on lines designated above "% Change."
- (3) Employees, weekly hours per employee, and weekly wages per employee for the week including December 31, of each year and the last day of the test year.

KENTUCKY-AMERICAN WATER COMPANY
Case No. 91-361
Rate Case Expenditures

| <u>Category</u> | <u>Hours</u> | <u>Rate per Hour</u> | <u>Other Expenses*</u> | <u>Total by Category</u> |
|-----------------|--------------|----------------------|------------------------|--------------------------|
| Accounting | | | | |
| Engineering | | | | |
| Legal | | | | |
| Other | | | | |

Estimated Total Rate Case Expense
Number of Customers
Expense per Customer

*Other Expenses - travel related, copying charge, advertising, etc. - itemize.

KENTUCKY-AMERICAN WATER COMPANY

CASE NO. 91-361

American Waterworks Service Company Charges

| | | | | | | <u>Service Company Charges</u> | | | | | |
|---------------------|--------------------------------|--------------------------|--------------------------|--------------------------|---------------------------|--------------------------------|---------------------------|--|---------------------------|--|--|
| | | | | | | <u>Directly Billed</u> | | <u>Allocated Charges 1989 Contract</u> | | <u>Allocated Charges 1971 Contract</u> | |
| <u>Utility Name</u> | <u>Number of Customers</u> | <u>Level of CWIP</u> | <u>Level of UPIS</u> | <u>Region Office</u> | <u>General Office</u> | <u>Region Office</u> | <u>General Office</u> | <u>Region Office</u> | <u>General Office</u> | | |

KENTUCKY-AMERICAN WATER COMPANY

CASE NO. 91-361

American Waterworks Service Company Charges

| <u>Description</u> | <u>Account Number</u> | <u>1971 Contract</u> | <u>Inc/(Dec)</u> | <u>1989 Contract</u> |
|-----------------------|---------------------------|--------------------------|------------------|--------------------------|
| Administrative | | | | |
| Region Office | | | | |
| General Office | | | | |
| Engineering | | | | |
| Region Office | | | | |
| General Office | | | | |
| Customer Relations | | | | |
| Region Office | | | | |
| General Office | | | | |
| Employee Relations | | | | |
| Region Office | | | | |
| General Office | | | | |
| Water Quality | | | | |
| Region Office | | | | |
| General Office | | | | |
| Corporate Secretarial | | | | |
| Region Office | | | | |
| General Office | | | | |
| Accounting | | | | |
| Region Office | | | | |
| General Office | | | | |
| Treasury | | | | |
| Region Office | | | | |
| General Office | | | | |
| Data Processing | | | | |
| Region Office | | | | |
| General Office | | | | |